



WEEKLY NEWSLETTER

"For SMART Management"

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MARGINSMART® Sample Farm Profitability Changes From Last Report

	Oct. '15	Nov. '15	Dec. '15	Jan. '16	Feb. '16	Mar. '16	Apr '16	May '16	June '16	July'16	Aug'16	Sep'16
Change From Prior Week	-06	-21	-18	-07	-03	+03	+08	+20	+04	+12	+11	+12

WEEKLY MARGINSMART® Notes From President Mark Linzmeier



The weekly newsletter will keep you up-to-date on various topics such as market news, upcoming events, and getting the most out of MARGINSMART®.

MARGINSMART® Tip of the Week

The tip of the week relates to the release of MARGINSMART VERSION 4.0! In an effort to continue to be on the cutting edge of projection management MARGINSMART® has released Version 4.0! This version's key items include an easy to view and input grid to manage base rations and actual feeding rates to account for what is actually projected to be fed; including added feed intake, feeding for weighbacks/refusals and adjusting for weather and milk production changes throughout the year. Version 4.0 also includes the option for users to implement a feed efficiency concept for one or more lactating rations or months. This can be used in conjunction with the feeding percentages to manage overall feed consumption and expected milk production. Additional reports are also included. Please read the press release below for more info! As always, this upgrade is FREE to all existing customers. Call with any questions on the new features.

Milk: A few numbers from Oceania: Sep '15 milk production in Australia was up .8% from Sep '14 and season to date is up 3.1%. In NZ Sep '15 milk production was down 7.5% from Sep '14 and is expected to be down 5-10% for the year.

Market News (Continued)

Grains/Feedstuffs/Cattle/Poultry:

Update on the Livestock/Poultry Slaughter & Prices

- Total beef production YTD through 10/31/15 was down 3.4% as compared to 2014
- Fed inspected cow slaughter is down 7.0% YTD; however that has leveled off in recent weeks
- Steer market prices last week were 18-20% lower than 1 year earlier
- YTD total pork meat production is 7.2% above '14
- Market hog prices are 22-25% lower than 1 year earlier prices
- YTD young chicken meat production is 6.5% above '14
- Whole bird prices are 30% lower than 1 year ago

MARGINSMART® Insight

MARGINSMART VERSION 4.0 WAS RELEASED ON OCTOBER 31, 2015! PLEASE SEE THE ATTACHED PRESS RELEASE AND CALL WITH ANY QUESTIONS.

Contact us for a **FREE MARGINSMART® Demo!**

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Market Price Updates (As of 10/30/2015 Close)

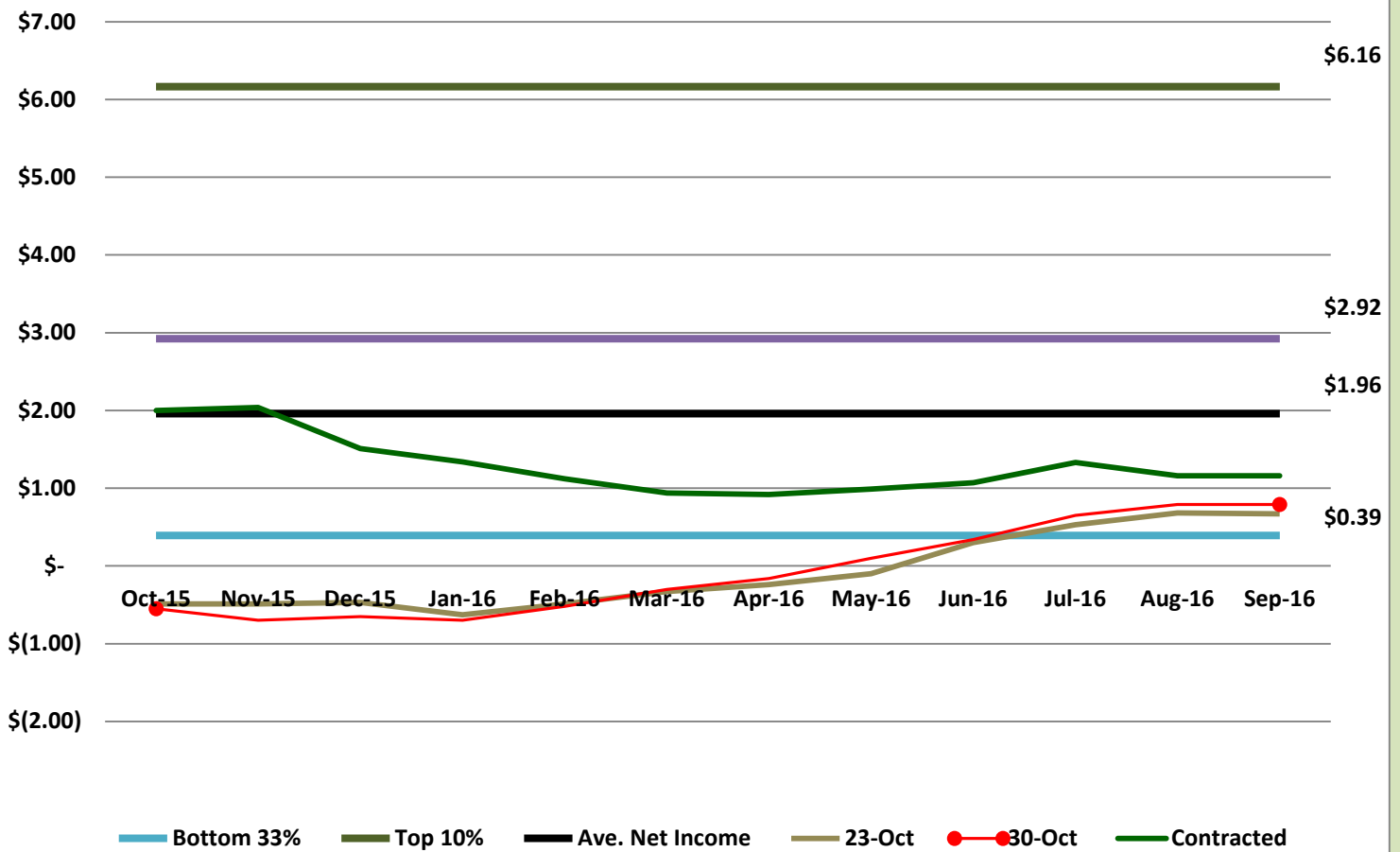
	Oct '15	+/-*	Nov'15	+/-*	Dec'15	+/-*	Jan '16	+/-*	Feb'15	+/-*	Mar'16	+/-*	Apr'16	+/-*
Class III Milk	15.43	-06	15.32	-14	15.35	-16	15.39	-09	15.63	-03	15.84	+02	16.00	+07
Class IV Milk	16.45	-13	16.11	+64	14.57	-03	14.41	-40	15.07	-08	15.33	-21	15.73	+00
Cash Butter	2.57	+02	2.56	+28	2.13	+13	1.96	+06	1.94	+04	1.95	+05	1.92	+02
Cash Cheese	1.68	+00	1.66	-02	1.65	-03	1.66	-01	1.68	+00	1.69	-01	1.71	+01
Corn					3.82	+02					3.91	+02		
Soybeans			8.84	-11			8.86	-10			8.89	-09		
Soybean Meal	307	+00			304	-01	303	-01			302	-02		

*Change from the Previous Week Price



MARGINSMART® maintains a Sample Farm with 1,500 mature cows and 86 #s of milk / head / day shipped average. It buys 100% of its feed at market and its heifers are custom raised. The red line on the Net Income chart below shows the net income / cwt. available last Friday over the next 12 months based on 100% market prices for milk and feed, and full operating activities. We also show a green line for our Sample Farm that has executed milk and feed contracts as part of a price risk management strategy.

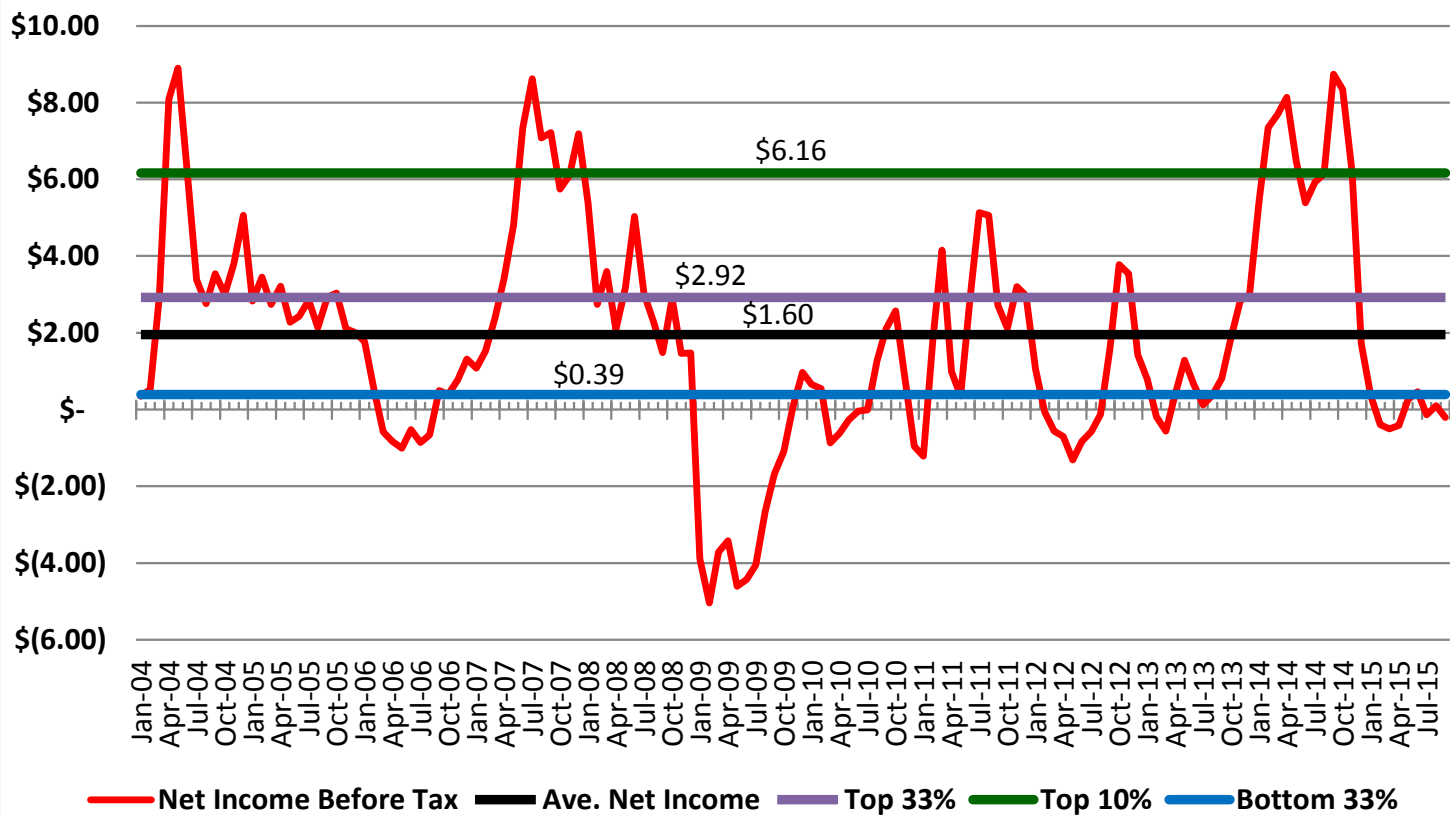
Net Income Available October 30, 2015





MARGINSMART® maintains a Sample Farm with 1,500 mature cows and 86 #s (current level – this has increased over the past 11 years) of milk / head / day shipped average. It buys 100% of its feed at market and its heifers are custom raised. We calculated the past 11 years' results (with adj. milk / day). The red line on the chart below shows the net income before tax for the last 11 years WITHOUT ANY contracting, and completely subject to market prices. It also shows the Top 10% (90th percentile), top 33% (67th percentage), the average and bottom 33% (33rd percentile.)

2004-2015 Historical Net Income Before Tax





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Historical Annual Average Net Income Before Tax

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
4.04	2.67	0.07	5.21	2.89	-2.79	0.44	2.52	0.60	0.95	6.46

Historical Quarterly Average Net Income Before Tax

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
2004	1.27	7.70	3.22	3.95
2005	3.01	2.64	2.64	2.38
2006	0.58	-0.79	-0.34	0.83
2007	1.66	5.19	7.64	6.34
2008	3.90	3.43	2.27	1.95
2009	-4.22	-4.15	-2.79	-0.01
2010	0.11	-0.30	1.13	0.82
2011	1.58	1.42	4.30	2.76
2012	0.15	-0.95	0.30	2.92
2013	0.02	0.77	0.43	2.57
2014	6.82	6.67	6.93	5.41
2015	-0.18	.11	-0.08	